



***United States Attorney  
District of New Jersey***

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**FOUR FACE FEDERAL CHARGES IN WILDWOODS, NEW JERSEY**  
**MORTGAGE FRAUD SCHEME**

CAMDEN, N.J. – Four members of a mortgage fraud and money laundering scheme involving condominiums in North Wildwood, N.J., appeared in court today to face federal charges, U.S. Attorney Paul J. Fishman announced.

Patricia Smith, Jamilah Smith, Ollie Rudolph Thaxton, and Carol Ashley are charged in a 10-count superseding Indictment for conspiring with others to obtain more than \$1 million in mortgage loans for unqualified borrowers to purchase condominium units at the Jersey Shore at inflated prices.

Patricia Smith, 56, and her daughter Jamilah Smith, 30, of Irvington, N.J.; and Thaxton, 68, of Kansas City, Mo.; and Ashley, 57, of Los Angeles, are charged with one count each of conspiracy to commit wire fraud. Patricia and Jamilah Smith are also each charged with one count of conspiracy to commit money laundering, two counts of wire fraud, and two counts of money laundering involving monetary transactions exceeding \$10,000. Thaxton and Ashley are also each charged with four and two counts of wire fraud, respectively. All four defendants were arraigned on the charges before U.S. District Judge Jerome B. Simandle in Camden federal court.

The Smiths were previously charged by Complaint and indicted; bail was set for each by U.S. Magistrate Judge Joel Schneider at \$20,000. Judge Simandle continued those conditions and set the same conditions for Thaxton and Ashley.

The superseding Indictment is the latest step in an investigation by the FBI and IRS - Criminal Investigation into fraudulent mortgage loans for shore properties in the Wildwoods.

According to the superseding Indictment:

From December 2006 through February 2007, the conspirators arranged to sell real estate properties to "straw purchasers" who had good credit scores, but lacked the financial resources to qualify for mortgage loans to purchase them. Thaxton recruited Patricia and Jamilah Smith into the scheme to serve as straw purchasers.

In exchange for purchasing the properties in their names, the Smiths were promised that they would neither pay deposits or closing costs and would receive an up-front kickback after the closing in exchange for allowing their names and credit information to be used to buy condos. In completing the borrowers' loan applications, the Smiths claimed fake employers, inflated

incomes, false bank account balances, and fictitious assets in order to induce the lenders to extend the loans. Ashley falsely verified Patricia Smith's employment with Ashley's company to support the fraudulent employment information on the loan applications.

The conspirators took proceeds from the fraudulent mortgage loans, having funds wired into various accounts that they controlled. The straw purchasers were paid a portion of the funds, and the recruiters of the straw purchasers shared the remainder of the funds with other co-conspirators.

U.S. Attorney Fishman credited special agents of the FBI's Atlantic City Resident Agency, under the direction of Special Agent in Charge Michael B. Ward in Newark, New Jersey; and IRS – Criminal Investigation's Mays Landing Office, under the direction of Special Agent in Charge Victor W. Lessoff, for the investigation leading to the superseding Indictment.

The government is represented by Assistant U.S. Attorney R. Stephen Stigall of the U.S. Attorney's Office Criminal Division in Camden.

The charges and allegations contained in the superseding Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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Defense counsel: Patricia Smith: Michael J. Farrell, Esq., Wenonah, N.J.  
Jamilah Smith: Troy A. Archie, Esq., Camden  
Thaxton: Rocco C. Cipparone, Esq., Haddon Heights, N.J.  
Ashley: Michael E. Riley, Esq., Mt. Holly, N.J.